

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

10400 Detrick Avenue
Kensington, Maryland 20895
(240) 627-9425

Minutes

May 4, 2022

22-05

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted via a hybrid platform and teleconference on Wednesday, May 4, 2022, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:14 p.m. Those in attendance were:

Present

Roy Priest, Chair
Frances Kelleher, Vice Chair
Linda Croom
Jeffrey Merkowitz
Jackie Simon

Present via Teleconference

Richard Y. Nelson, Jr., Chair Pro Tem

Absent

Pamela Byrd

Also Attending

Kayrine Brown, Acting Executive Director
Zachary Marks
Gio Kaviladze
Fred Swan
Jay Shepherd
Timothy Goetzinger
Bonnie Hodge
Karlos Taylor

Aisha Memon
Marcus Ervin
Nathan Bovelie
Patrick Mattingly
Hyunsuk Choi
Sewavi Agbodjan
Ian-Terrell Hawkins
Irma Rodriguez

Also Attending via Teleconference

Matt Husman
Terri Fowler

Lynn Hayes
Paige Gentry

IT Support

Aries Cruz

Commission Support

Patrice Birdsong, Spec. Asst. to the Commission

Chair Priest opened the meeting welcoming all to the monthly and first hybrid meeting. There was a roll call of Commissioners participating.

I. **Information Exchange**
Community Forum

- There were no participants signed up for the Community Forum.

Executive Director's Report

- Kayrine Brown, Acting Executive Director, provided an overview of the written report highlighting the 2022 State Legislative Session and various activities HOC coordinated and/or participated in. Lynn Hayes, Director of Housing Resources, addressed Commissioner's questions regarding increased terminations due to death or failure to complete annual recertifications. Ms. Hayes informed that subsequent notices are sent as a reminder, and to allow additional time to submit the materials. She suggested that her team would research some sort of additional outreach to assist. Commissioner Simon had a question regarding extensions. Ms. Hayes informed that a discussion to amend the terms of the Administrative Plan to allow for extensions is scheduled for discussion at the upcoming Administrative and Regulatory Committee scheduled for May 16, 2022. Acting Executive Director Brown addressed Commissioner Croom's questions regarding Youth Internship indicating that HOC would be hiring. (Commissioner Croom was a little under the weather so her voice was strained.). Chair Priest acknowledged the contribution made to the HOCP Board from the Boston Financial Group and the work that HOC Staff has done to position the Board to receive the funding. Chair Priest also acknowledged and thanked the Information Technology (IT) Team for their hard work.

Commissioner Exchange

- Chair Priest talked about an article regarding increasing interest rates. He also shared that the National Association of Housing for Housing and Redevelopment Officials (NAHRO) is onboarding the new Executive Director Mark Thiele and that the National Conference will be held in San Diego, CA.
- Commissioner Kelleher recognized and thanked Patrice Birdsong, Special Assistant to the Commission, for her support to the Board in honor of Administrative Assistants Day.
- Chair Priest reminded that the Affordable Housing Conference Summit will be held on May 20, 2022.
- Commissioner Simon recognized Susan Smith, Program Coordinator – Resident Services Division, who will be honored by Independence Now, Inc., a bi-county organization that services persons with disabilities. She also shared that she attended the County sponsored event "Save Our Neighborhood" that discussed the seriousness of bullying that is going on in the high schools.
- Chair Priest formerly welcomed Commissioner Jeffrey Merkowitz to his first in-person meeting. He also acknowledged and thanked the staff as well as Acting Executive Director Kayrine Brown, and Aisha Memon for all the hard work performed to keep the agency afloat.

- II. **Approval of Minutes** - The minutes were approved as submitted with a motion by Commissioner Croom and seconded by Commissioner Simon. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Croom, Merkowitz, and Simon. Commissioner Byrd was necessarily absent and did not participate in the vote.

A. Approval of Minutes of April 6, 2022

B. Approval of Minutes of April 6, 2022 Closed Session

- III. **CONSENT** – The consent items were approved as submitted with a motion by Vice Chair Kelleher and seconded by Commissioner Merkowitz. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Croom, Merkowitz, and Simon. Commissioner Byrd was necessarily absent and did not participate in the vote.

A. Approval of Changes to the Collective Bargaining Agreement between the Housing Opportunities Commission of Montgomery County and the Municipal and County Government Employees Organization for the period of July 1, 2020 through June 30, 2022

RESOLUTION NO.: 22-29

RE: Approval of Changes to the Collective Bargaining Agreement between the Housing Opportunities Commission and the Municipal and County Government Employees Organization for the period of July 1, 2020 through June 30, 2022

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) is required by law to enter into a Collective Bargaining Agreement (“CBA”) for Commission employees who are covered under the collective bargaining law that went into effect as of October 1, 1999; and

WHEREAS, the CBA between HOC and the Municipal County Government Employees Organization (“MCGEO”) (the exclusive union representative for those employees in the bargaining units of Service, Labor, and Trades (“SLT”), and Office, Professional, and Technical (“OPT”)) expired on June 30, 2020; and

WHEREAS, HOC and MCGEO agreed to continue the terms and conditions of the expired CBA and negotiate wage adjustments for Fiscal Year 2021 and 2022, negotiate revisions to HOC’s Telework Program, and to adopt Tentative Agreements that were reached during the negotiation process;

WHEREAS, the negotiations began on October 15, 2021 and were successfully concluded on March 11, 2022; and

WHEREAS, the “Negotiated Agreement” reached by HOC and MCGEO includes the following:

1. Effective the first full pay period after January 1, 2022, Bargaining Unit Members shall receive a \$1,064.00 General Wage Adjustment.
2. Effective the first full pay period after June 1, 2022, Bargaining Unit Members will receive a \$1,684.00 General Wage Adjustment.
3. The minimum and maximum of the Pay Scales for each grade shall be increased commensurate with each General Wage Adjustment.
4. For Fiscal Year 2022, Bargaining Unit Members who have been rated as Fully Successful by the effective date shall receive a 3.5% Annual Pay Increment effective the first full pay date after January 1, 2022. A Bargaining Unit Member who is not Fully Successful the first full pay period after January 1, 2022, shall receive their Fiscal Year 2022 increment when they become Fully Successful.

Bargaining Unit Members who were not eligible for the Fiscal Year 2022 Annual Pay Increment because they have reached the Top of Grade shall receive an \$825.00 bonus.

5. Bargaining Unit Members who have worked at least six months in Fiscal Year 2021 shall receive a 1.75% Annual Pay Increment, effective the first full pay period after June 1, 2022, and a 1.75% Annual Pay Increment effective the first full pay period after September 1, 2022. Bargaining Unit Members who are not eligible for the Fiscal Year 2021 increment because they are at Top of Grade shall receive a \$412.50 bonus the first full pay period after June 1, 2022 and a \$412.50 bonus the first full pay period after September 1, 2022.
6. Revisions to HOC's Telework Program, which outline roles, responsibilities, eligibility, and other standard administrative and operational terms and processes of the Telework Program.
7. Tentative Agreements to the CBA reached during the negotiation process, which were generally administrative, and include changes to Employee Benefit Sections to ensure the language is consistent with Montgomery County Group Insurance Plans; removal of outdated or obsolete language; updating sections to reflect current practices; and an agreement by the parties that the CBA will be revised to reflect gender neutral language.

WHEREAS, the collective bargaining law stipulates that the CBA shall be effective upon the approval of the Commission and the membership of the union representing the bargaining unit; and

WHEREAS, the union membership ratified the Negotiated Agreement on April 29, 2022.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County hereby approves the Negotiated Agreement.

B. Approval of Fiscal Year Wage Adjustments and Annual Pay Increments for Non-Represented Merit System Staff for the period of July 1, 2020 through June 30, 2022

RESOLUTION NO.: 22-30
Annual

RE: Approval of Fiscal Year Wage Adjustments and
Pay Increments For Non-Represented Merit System
Staff
for the Period of July 1, 2020 Through June 30, 2022

WHEREAS, the Commission of Montgomery County ("HOC" or the "Commission") wishes to award a compensation package for Non-Represented Merit System staff ("Non-Represented Merit Staff") for the period of July 1, 2020 through June 30, 2022 that is fair, equitable, and consistent with that of represented employees; and

WHEREAS, the Commission proposes the following "FY 2021 and 2022 Compensation Package" for Non-Represented Merit Staff:

1. Effective the first full pay period after January 1, 2022, Non-Represented Merit Staff shall receive a \$1,064.00 General Wage Adjustment.
2. Effective the first full pay period after June 1, 2022, Non-Represented Merit Staff will receive a \$1,684.00 General Wage Adjustment.
3. The minimum and maximum of the Pay Scales for each grade shall be increased commensurate with each General Wage Adjustment.
4. For Fiscal Year 2022, Non-Represented Merit Staff who have been rated as Fully Successful by the effective date shall receive a 3.5% Annual Pay Increment effective the first full pay date after January

1, 2022. Non-Represented Merit Staff who are not Fully Successful the first full pay period after January 1, 2022, shall receive their Fiscal Year 2022 increment when they become Fully Successful. Non-Represented Merit Staff who were not eligible for the Fiscal Year 2022 Annual Pay Increment because they have reached the Top of Grade shall receive an \$825.00 bonus.

5. Non-Represented Merit Staff who have worked at least six months in Fiscal Year 2021 shall receive a 1.75% Annual Pay Increment, effective the first full pay period after June 1, 2022, and a 1.75% Annual Pay Increment effective the first full pay period after September 1, 2022. Non-Represented Merit Staff who are not eligible for the Fiscal Year 2021 increment because they are at Top of Grade shall receive a \$412.50 bonus the first full pay period after June 1, 2022 and a \$412.50 bonus the first full pay period after September 1, 2022.

NOW, THEREFORE, BE IT RESOLVED, that the Housing Opportunities Commission of Montgomery County hereby approves the FY 2021 and 2022 Compensation Package for Non-Represented Merit Staff.

C. Approval to Amend the Housing Opportunities Commission Personnel Policy – Executive Leadership Series

RESOLUTION NO.: 22-31

RE: Approval to Amend HOC’s Personnel Policy – Executive Leadership Service

WHEREAS, in July 2006, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) amended its Personnel Policy to include Executive Leadership Service (“ELS”), which applies to employees in senior level positions who develop and implement policy, manage a significant number of employees, and carry out programs and services; and

WHEREAS, ELS was developed to increase accountability, provide organizational flexibility, acknowledge excellence in performance, and improve the Commission’s ability to attract high performing executives; and

WHEREAS, ELS was established with two (2) occupational classes at different grade levels allowing for performance based pay, flexible administrative components, and a broad classification structure; and

WHEREAS, the Commission desires to establish a third occupational class at a different grade level to further broaden the ELS classification structure while continuing to provide performance based pay and flexible administration.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County hereby authorizes a third occupational class with its own grade level in the ELS and amends Chapter 2000, Section 2020 of the Personnel Policy as follows:

2020 - Classification. For ELS, there shall be two (2) three (3) occupational classes. Each class shall have a generic job specification which defines the scope, complexity of work and delegation of authority to be established in the discretion of the Executive Director. A job title for a position in the ELS may be different than the classification. Job classifications with the “EX” designation shall be included in the ELS. The number of positions within ELS may be adjusted from time to time in the discretion of the Commission. An ELS employee may be transferred to another ELS position within the same pay tier in the discretion of the Executive Director.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Acting Executive Director, or her designee, is hereby authorized, without further action on its part, to take any and all other actions necessary and proper to carry out the transactions contemplated herein, including the execution and delivery of any documents related thereto.

IV. **COMMITTEE REPORTS AND RECOMMENDATIONS FOR ACTION**

A. Development and Finance Committee – Com. Simon, Chair

1. **The Metropolitan:** Emergency Procurement to Select Contracting Specialists Incorporated as the Waterproofing Contractor for Repair of the Green Roof at Metropolitan Apartments

Marcus Ervin, Director of Real Estate Development, introduced Hyunsuk Choi, Housing Acquisitions Manager, who was the presenter.

The following resolution was adopted upon a motion by Commissioner Simon and seconded by Chair Pro Tem Nelson. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Croom, Merkowitz, and Simon. Commissioner Byrd was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 22-32

RE: Emergency Procurement to Select Contracting Specialists Incorporated as the Waterproofing Contractor for Repair of the Green Roof at Metropolitan Apartments

WHEREAS, The Metropolitan Apartments (“the “Property”) was constructed in 1997 as a 14-story, 308-unit high-rise apartment building located at 7620 Old Georgetown Road, Bethesda and currently consists of 216 market rate units and 92 affordable units; and

WHEREAS, the Property is owned by The Metropolitan of Bethesda Limited Partnership (the “Metropolitan LP”), which is wholly owned by the Housing Opportunities Commission of Montgomery County (the “Commission” or “HOC”), and The Metropolitan Development Corporation (the “Metropolitan Corporation”), which is wholly controlled by HOC; and

WHEREAS, the Property has a green roof plaza and testing has revealed ineffective drainage beneath the paved area of the plaza, which needs to be remediated immediately in order to prevent more extensive and expensive damage to the Property; and

WHEREAS, on February 2, 2022, the Commission approved selecting Smislova, Kehnemui & Associates, P.A (“SK&A”) to (i) complete a plan for the necessary repairs, (ii) to evaluate proposals for the selection of a waterproofing services contractor, and (iii) to perform construction management services; and

WHEREAS, SK&A has conducted a review and analysis of the bids for the waterproofing services contractor from (1) Concrete Projection & Restoration, Inc., (2) The C.A. Lindman Inc., and (3) Contracting Specialists, Incorporated (“CSI”); and

WHEREAS, based on SK&A’s review of the submitted proposals and project completion time, SK&A advises awarding a contract for waterproofing construction services to CSI in an amount not to

exceed \$4,499,450 because of their overall experience, lower bid price, and faster completion schedule; and

WHEREAS, staff recommends including a contingency in the amount of \$450,000 to account for unforeseen conditions during completion of the work, which makes the total cost for the waterproofing construction \$5,192,450 (the “Waterproofing Budget”); and

WHEREAS, staff was notified by a Montgomery County Delegate that the State Capital budget includes two separate allocations that are available to repair the green roof plaza: (1) a miscellaneous grant for \$1,250,000, and (2) a Legislative Bond Initiative for \$350,000, for a total of \$1.6 million (“State Capital Contribution”); and

WHEREAS, the Waterproofing Budget will be funded by the State Capital Contribution and the Metropolitan Corporation operations (“Waterproofing Funding Sources”), provided that if the total cost exceeds the Waterproofing Funding Sources, cash flow generated by the Metropolitan Corporation in Fiscal Year 2023 will pay the balance; and

WHEREAS, the Commission currently intends and reasonably expects to participate in tax-exempt borrowings to finance such capital expenditures in an amount not to exceed \$100,000,000, all or a portion of which may reimburse the Commission for the portion of such capital expenditures incurred or to be incurred subsequent to the date, which is 60 days prior to the date hereof, but before such borrowing, and the proceeds of such tax-exempt borrowing will be allocated to reimburse the Commission’s expenditures within 18 months of the later of the date of such capital expenditures or the date that the project is placed in service (but in no event more than three years after the date of the original expenditure of such moneys); and

WHEREAS, HOC will continue to evaluate its options for construction and permanent financing, which may include the issuance of tax-exempt governmental bonds or such other tax-exempt bonds that are permissible under provisions of the Internal Revenue Code, the proceeds of which would fund a permanent mortgage that would be insured by FHA in accordance with the Risk Share mortgage program; and

WHEREAS, the Commission hereby desires to declare its official intent, pursuant to Treasury Regulation §1.150-2, to reimburse the Commission for such capital expenditures with the proceeds of the Commission’s future tax-exempt borrowing for such projects named in this Resolution.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County, acting on behalf of itself on behalf of the Metropolitan LP, as its general partner, approves the selection of CSI as the Waterproofing Contractor for the repair of the green roof at the Property.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, acting on behalf of itself on behalf of the Metropolitan LP, as its general partner, authorizes the Acting Executive Director, or her designee, to negotiate and execute a contract with CSI for an amount not to exceed \$4,499,450.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, acting on behalf of itself on behalf of the Metropolitan LP, as its general partner, approves a project contingency of \$450,000.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, acting on behalf of itself on behalf of the Metropolitan LP, as its general partner, (1) accepts the State Capital Contribution, and (2) authorizes the appropriation of the State Capital Contribution by the State of Maryland in its Capital Budget.

BE IT FURTHER RESOLVED THAT:

Section 1. Declaration of Official Intent. The Commission presently intends and reasonably expects to finance costs related to the predevelopment, development, and equipping of the Property, with moneys currently contained in its Opportunity Housing Reserve Fund, and General Fund Property Reserve Account, County Revolving Fund accounts, and any other funds of the Commission so designated for use by the Commission.

Section 2. Dates of Capital Expenditures. All of the capital expenditures covered by this Resolution, which may be reimbursed with proceeds of tax-exempt borrowings, will be incurred not earlier than 60 days prior to the date of this Resolution except preliminary expenditures as defined in Treasury Regulation Section 1.150-2(f)(2) (e.g. architect's fees, engineering fees, costs of soil testing and surveying).

Section 3. Issuance of Bonds or Notes. The Commission presently intends and reasonably expects to participate in tax-exempt borrowings of which proceeds in an amount not to exceed \$100,000,000 will be applied to reimburse the Commission for its expenditures in connection with the project.

Section 4. Confirmation of Prior Acts. All prior acts and doings of the officials, agents and employees of the Commission, which are in conformity with the purpose and intent of this Resolution, and in furtherance of the Property, shall be and the same hereby are in all respects ratified, approved and confirmed.

Section 5. Repeal of Inconsistent Resolutions. All other resolutions of the Commission, or parts of resolutions related to the Property which are inconsistent with this Resolution are hereby repealed to the extent of such inconsistency.

Section 6. Effective Date of Resolution. This Resolution shall take effect immediately upon its passage.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, acting on behalf of itself on behalf of the Metropolitan LP, as its general partner, authorizes and directs the Acting Executive Director, or her designee, without further action on their respective parts, to take any and all other actions necessary and proper to carry out the transactions contemplated herein including, but not limited to, the execution of any and all documents related thereto.

2. **HOC Headquarters:** Approval of Construction Manager and Revised FY22 Predevelopment Budget and Funding Installment

Marcus Ervin, Director of Real Estate Development, introduced Jay Shepherd, Housing Acquisitions Manager, who was the presenter.

The following resolution was adopted upon a motion by Commissioner Simon and seconded by Commissioner Merkowitz. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Croom, Merkowitz, and Simon. Commissioner Byrd was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 22-33A

**RE: Approval of Construction Manager Selection
and Revised 2022 Predevelopment Budget and
Funding Installment**

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”), has secured three lots located at 1324 and 1328 Fenwick Lane, Silver Spring, MD 20910 as the site of a new headquarters building, projected to be approximately 83,000 gross square feet or the maximum allowed by the current zoning regulations (the “New HQ”); and

WHEREAS, on September 5, 2018, the Commission approved a predevelopment budget in the amount of \$2,116,000 for the initial feasibility design and entitlement of the New HQ and a draw on the \$60 million PNC Bank, N.A. Line of Credit (“PNC LOC”) to fund the first installment of predevelopment funding in the amount of \$264,500; and

WHEREAS, on May 6, 2020, in order to expedite the delivery of the New HQ, reduce overall costs, and minimize development period risk, the Commission approved submitting an application for the two-step process of Mandatory Referral; and

WHEREAS, On February 3, 2021, the Commission approved the submission of the second step of the Mandatory Referral process and a revised total predevelopment budget of \$2,908,300 for the design and entitlement of the New HQ and the use of the PNC LOC as the source to fund the FY22 installment of \$750,000; and

WHEREAS, on May 17, 2021, the Montgomery County Planning Board approved the New HQ Administrative Subdivision Plan Application; and

WHEREAS, costs for calendar year 2022 have been projected and additional predevelopment expenses are expected to escalate due to a combination of refined design development, increased material and labor costs, greater allowances for contingencies, increased costs due to permit and fee requirements, higher construction management service costs, and higher borrowing costs expected at the time of financing; and

WHEREAS, the current revised predevelopment budget for the New HQ is \$5,020,756 and the final installment of \$2,112,456 may be funded from the PNC LOC; and

WHEREAS, the Commission issued a Request for Proposals for construction management services (“RFP #2312”) for the New HQ; and

WHEREAS, Jones Lang LaSalle (“JLL”) received the highest score among respondents to RFP #2312; and

WHEREAS, the Commission desires to select JLL as the construction manager for the New HQ and authorize the Acting Executive Director to execute a contract with JLL (“CM Contract”).

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County approves a revised total predevelopment budget of \$5,020,756 for the design and entitlement of the New HQ and the use of the PNC LOC as the source to fund the final installment of \$2,112,456.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the selection of JLL as the construction manager for the New HQ and authorizes the Acting Executive Director, or her designee, to execute the CM Contract that obligates HOC for only the preconstruction phase and allows HOC the right to terminate the contract prior to construction.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Acting Executive Director, or her designee, is hereby authorized, without any further action on its part, to take any and all actions necessary and proper to carry out the transactions and actions contemplated herein, including the execution of any documents related thereto.

The following resolution was adopted upon a motion by Commissioner Simon and seconded by Chair Pro Tem Nelson. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Croom, Merkowicz, and Simon. Commissioner Byrd was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 22-33B

RE: Approval to Draw on the PNC Bank, N.A. Line of Credit to Fund a Fourth Installment of Predevelopment Funds for HOC's New Headquarters Building

WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission"), has secured three lots located at 1324 and 1328 Fenwick Lane, Silver Spring, MD 20910, as the site of a new headquarters building, projected to be approximately 83,000 gross square feet or the maximum allowed by the current zoning regulations (the "New HQ"); and

WHEREAS, on September 5, 2018, the Commission approved a predevelopment budget in the amount of \$2,116,000 for the initial feasibility design and entitlement of the New HQ and a draw on the \$60 million PNC Bank, N.A. Line of Credit (the "PNC LOC") to fund the first installment of predevelopment funding in the amount of \$264,500; and

WHEREAS, on May 6, 2020, the Commission approved a revised predevelopment budget in the amount of \$2,650,150 and a second installment draw on PNC LOC for predevelopment funding of \$793,800 to cover costs attributable to a required traffic engineering study and permit and application fees for the initial feasibility design and entitlement of the New HQ; and

WHEREAS, costs for calendar year 2022 have been projected and additional predevelopment expenses are expected to escalate due to a combination of refined design development, increased material and labor costs, greater allowances for contingencies, increased costs due to permit and fee requirements, higher construction management service costs, and higher borrowing costs expected at the time of financing; and

WHEREAS, the current revised predevelopment budget for the New HQ is \$5,020,756 and the cost of the fourth installment of predevelopment funding is \$2,112,456; and

WHEREAS, the Commission may make draws on the PNC LOC at a contractual rate based on the London Interbank Offered Rate (“LIBOR”) index plus a spread.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes a fourth draw in the amount of \$2,112,456 at the PNC LOC contractual rate, which is based on the 30-day LIBOR plus a spread, to fund a fourth installment of the total predevelopment budget to be repaid, including cost of interest, from the proceeds of the New HQ’s construction-period financing, and that this draw shall have a due date that coterminous with the termination date of the PNC LOC, which is currently.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Acting Executive Director, or her designee, is hereby authorized, without any further action on its part, to take any and all actions necessary and proper to carry out the transactions and actions contemplated herein, including the execution of any documents related thereto.

3. **Brooke Park:** Approval for the Acting Executive Director to Execute Change Order with Bennett Frank McCarthy Architects, Inc.

Marcus Ervin, Director of Real Estate Development, introduced Gio Kaviladze, Senior Financial Analyst, who was the presenter.

The following resolution was adopted upon a motion by Commissioner Simon and seconded by Vice Chair Kelleher. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Croom, Merkowitz, and Simon. Commissioner Byrd was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 22-34

RE: Approval for the Acting Executive Director to Execute a Change Order with Bennett Frank McCarthy Architects, Inc.

WHEREAS, in 2013 the Montgomery County Department of Housing and Community Affairs (“DHCA”) exercised its right of first refusal and assigned the right to the Housing Opportunities Commission of Montgomery County (the “Commission” or “HOC”) to purchase Brooke Park Apartments (“the Property”) to preserve affordable housing units in this location of the county that lacked affordable housing and risked demolition and redevelopment as luxury townhomes for the affluent, and the displacement of 18 low- and moderate-income families; and

WHEREAS, DHCA funded an acquisition and development loan of \$5,200,000 at the time of the acquisition and committed to provide additional funding as needed to complete the renovation; and

WHEREAS, in April 2020, DHCA provided a commitment to fund the net funding need of \$3,747,829 through a combination of HOME and energy-efficiency improvement related funding sources; and

WHEREAS, the renovation activities started in 2019, concluded in 2021, and included significant site work that required additional design, engineering and permit approval related services from the project design team lead by Bennett Frank McCarthy Architects, Inc. (“BFM”); and

WHEREAS, staff proposes executing change orders to the existing contract with BFM in the combined amount of Nineteen Thousand and Twenty-Nine Dollars (\$19,029) to compensate BFM for the additional time and services provided during construction.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County hereby authorizes and directs the Acting Executive Director, or her designee, without any further action on its part, to execute change orders to the existing BFM contract in the amount of Nineteen Thousand and Twenty-Nine Dollars (\$19,029), to be funded from the Property's development budget.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Acting Executive Director, or her designee, is hereby authorized to take any and all other actions necessary and proper to carry out the transactions and activities contemplated herein, including the execution of any documents related thereto.

4. **Residence on The Lane:** Approval for the Acting Executive Director to Execute Change Order to Closeout Construction Management Services

Marcus Ervin, Director of Real Estate Development, introduced Jay Shepherd, Housing Acquisitions Manager, who was the presenter.

The following resolution was adopted upon a motion by Commissioner Simon and seconded by Chair Pro Tem Nelson. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Croom, Merkwitz, and Simon. Commissioner Byrd was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 22-35

RE: Approval for the Acting Executive Director to Execute Change Order with CFI Construction, Inc. to Continue Construction Management Services at the Residences on The Lane Development

WHEREAS, on January 9, 2019 the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission") approved the Final Development Plan for Upton II (later renamed Residences on The Lane) (the "Property"), which started construction in April 2019; and

WHEREAS, HOC is the managing member of HOC MM Upton II, LLC, which is the managing member of HOC at the Upton II, LLC ("Owner"), the owner of the Property; and

WHEREAS, on May 10, 2019, the Commission approved the selection of CFI Construction Corporation ("CFI") as construction manager for the project and CFI was awarded a contract in the amount of \$249,000; and

WHEREAS, to bolster staffing shortages, on September 1, 2021, the Commission approved a change order to the CFI contract up to \$150,000 (bringing their aggregate contract amount to \$399,000) to provide continuing services for construction management at the Property, to be funded from the Property's development budget; and

WHEREAS, to ensure the efficient and timely completion of the development plan and delivery of equity credits, staff proposes an expanded role for CFI and approval of another change order to the contract to augment staff resources to handle construction management services for the closeout delivery of the building and to protect the Commission's interests.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, on behalf of itself and as the ultimate managing member of Owner, that it hereby approves a change order to the CFI contract not to exceed \$200,000 (bringing their aggregate contract amount to \$599,000) to provide continuing services for construction management at the Property through stabilized occupancy, and authorizes the Acting Executive Director, or her designee, to execute such change order to be funded from the Property's development budget.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, on behalf of itself and as the ultimate managing member of Owner, that the Acting Executive Director of HOC, or her designee, is authorized, without any further action on their respective parts, to take any and all other actions necessary and proper to carry out the transactions and actions contemplated herein including the execution of any documents related thereto.

5. **Westside Shady Grove:** Approval of Naming of Westside Shady Grove in Accordance with HOC Naming Guidelines

Marcus Ervin, Director of Real Estate Development, was the presenter.

The following resolution was adopted upon a motion by Commissioner Simon and seconded by Commissioner Croom. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Croom, Merkowicz, and Simon. Commissioner Byrd was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 22-36
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RE: Approval of Naming Westside Shady Grove

Accordance with HOC Naming Guidelines

WHEREAS, Westside Shady Grove Building D (the "Property") is currently under construction and will be a 268-unit mixed use apartment building with 21,000 square feet of retail space and serve as the Housing Opportunities Commission of Montgomery County's (the "Commission" or "HOC") Up-County Customer Service Center in the Westside Shady Grove area of Rockville, MD;

WHEREAS, the Property is owned by HOC at Westside Shady Grove, LLC ("Owner"), which is ultimately controlled by the Commission; and

WHEREAS, HOC staff, in alignment with the Guidelines for Naming of HOC Properties and Facilities (the "Guidelines"), developed a permanent name recognition; and

WHEREAS, the recommended permanent name aligns with the general principles set forth in the Guidelines, including: having a strong positive image that withstands the test of time; having appropriate regard for the Property's location and history; and recognizing outstanding accomplishments by individuals for the good of the community.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County, on its behalf and on behalf of the Owner, as the sole member of its ultimate managing member, approves "The Laureate" as the permanent name for the Property.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting on its behalf and on behalf of the Owner, as the sole member of its ultimate managing member, that the

Acting Executive Director of HOC, or her designee, is authorized and directly, without any further action on their respective parts, to take any and all other actions necessary and proper to carry out the activities contemplated herein.

Chair Priest called a recess at 5:25 p.m. The meeting was reconvened at 5:28 p.m.

Chair Priest read the Written Closing Statement and made a motion to adopt the statement and close the meeting. Commissioner Croom seconded the motion, with Commissioners Priest, Kelleher, Nelson, Croom, Merkowitz, and Simon voting in approval. Commissioner Byrd was necessarily absent and did not participate in the vote.

Based upon this report and there being no further business to come before this session of the Commission, the Commission adjourned the open session at 5:30 p.m. and reconvened in closed session at 5:45 p.m.

In compliance with Section 3-306(c)(2), General Provisions Article, Maryland Code, the following is a report of the Housing Opportunities Commission of Montgomery County's closed session held on May 4, 2022 at approximately 5:45 p.m. via hybrid platform and teleconference, with moderator functions occurring at 10400 Detrick Avenue, Kensington, MD 20895. The meeting was closed under the authority of Sections 3-305(b)(1), 3-305(b)(3), and 3-305(b)(13) to discuss two topics. The first topic was the appointment, employment, assignment, and compensation of the candidates for Secretary-Treasurer/Executive Director (pursuant to Section 3-305(b)(1)). The second topic was the acquisition/purchase of the fee simple interest of three multifamily properties located in Bethesda, Maryland (pursuant to Section 3-305(b)(3)), and the confidential commercial and financial terms of such acquisition (pursuant to Section 3-305(b)(13)).

The meeting was closed and the closing statement dated May 4, 2022 was adopted on a motion made by Roy Priest, seconded by Linda Croom, with Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Linda Croom, Jeffrey Merkowitz, and Jackie Simon voting in favor of the motion. Commissioner Byrd was necessarily absent and did not participate in the vote. The following persons were present for the discussion of Topic #1 (listed below): Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Linda Croom, Jeffrey Merkowitz, Jackie Simon, Kayrine Brown, Aisha Memon, John Broullire, Marcus Ervin, Jay Shepherd, Fred Swan, Karlos Taylor, Nathan Bovelle, Hyunsuk Choi, Timothy Goetzinger, Zachary Marks, Ian-Terrell Hawkins, and Patrice Birdsong. The following persons were present for the discussion of Topics #2 and #3 (listed below): Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Linda Croom, Jeffrey Merkowitz, and Jackie Simon.

In closed session, the Commission discussed the below topics and took the following actions:

1. **Topic:** The acquisition of the fee simple interest of three multifamily properties located in Bethesda, Maryland (pursuant to Section 3-305(b)(3)), and the confidential commercial and financial terms of such acquisition (pursuant to Section 3-305(b)(13)).
 - a. **Action Taken:** With a quorum present, Commissioners Priest, Kelleher, Nelson, Croom, Merkowitz, and Simon adopted Resolution 22-37AS, which (i) authorized exiting the due diligence period and completing the acquisition of the properties, (ii) approved the financing plan, (iii) authorized accepting two loans to fund the acquisition of the properties, and (iv) authorized the Acting Executive Director to take any other actions necessary and proper to carry out the transaction.

2. **Topic:** The appointment, employment, assignment, and compensation of the candidates for Secretary-Treasurer/Executive Director (pursuant to Section 3-305(b)(1)).
 - a. **Action Taken:** With a quorum present, Commissioners Priest, Kelleher, Nelson, Croom, Simon, and Merkowitz approved hiring Chelsea J. Andrews as Executive Director, and authorized Chair Priest to negotiate the terms of the final contract. Commissioner Byrd was necessarily absent and did not participate in the vote. No resolution was presented or passed.

3. **Topic:** The appointment, employment, assignment, compensation, and evaluation of the Acting Executive Director (to be the Deputy Executive Director) (pursuant to Section 3-305(b)(1)).
 - a. **Action Taken:** With a quorum present, Commissioners Priest, Kelleher, Nelson, Croom, Simon, and Merkowitz approved the following for the Acting Executive Director: a one-time bonus (for her work as Acting Executive Director), and a base pay increase and the ability to retain the use of an HOC vehicle (in her role as Deputy Executive Director). Commissioner Byrd was necessarily absent and did not participate in the vote. No resolution was presented or passed.
 - i. **NOTE:** HOC acknowledges that this item was not specifically listed as a topic to be discussed under Section 3-305(b)(1) in the Closing Statement dated May 4, 2022, and apologizes for the oversight.

The closed session was adjourned at 7:19 p.m.

Respectfully submitted,

Kayrine Brown
Acting Secretary-Treasurer

/pmb

Approved: June 8, 2022

Note:

The Housing Opportunities Commission of Montgomery County (HOC) experienced technical difficulties during the live-stream of its May 4, 2022 Commission Meeting. The technical difficulties were caused by equipment failure and resulted in portions of the meeting being inaudible. This was HOC's first "hybrid" meeting; select staff attended the meeting in-person, and the public and the majority of staff attended the meeting virtually. HOC is diligently working to prevent similar issues at future meetings and apologizes for the inconvenience.